

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7870**

**BILL NUMBER:** HB 1960

**DATE PREPARED:** Jan 21, 2001

**BILL AMENDED:**

**SUBJECT:** Assessment of historic sites and cemeteries.

**FISCAL ANALYST:** Bob Sigalow, Chuck Mayfield

**PHONE NUMBER:** 232-9859; 232-4825

**FUNDS AFFECTED:** X  
X

**GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that for property tax purposes, certain land may be classified as a: (1) historic site; or (2) cemetery; and assessed at \$1 per acre. It allows land to be classified as a historic site if it is listed in the register of Indiana historic sites and historic structures maintained by the Division of Historic Preservation and Archeology of the Department of Natural Resources. The bill allows land to be classified as a cemetery if it is listed in a registry of Indiana cemeteries and burial grounds established by the Division. It also requires an applicant for classification to: (1) have the land surveyed by a registered surveyor; (2) have the land assessed by the county assessor; and (3) file an application with the division. The bill requires the Division to approve an application if the land appears in the appropriate registry. It requires the Division to adopt standards for the management of classified land and to inspect such land every five years. This bill allows the owner or, in certain circumstances, the Division, to withdraw land from classification. It provides that if classification is withdrawn, the landowner must pay the sum of: (1) the taxes that would have been assessed on the land during the classification or the ten years before the date of withdrawal, whichever is less; plus (2) interest on the taxes at a rate of 10%.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** The state's expense for property tax replacement credits (PTRC) could be decreased under this bill. PTRC is paid from the Property Tax Replacement Fund which is annually supplemented by the state General Fund. Any additional PTRC savings would ultimately accrue to the General Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The number of cemeteries or historic sites that might be affected by the bill is unknown. The Department of Natural Resources has not completed their cemetery register and

currently, cemeteries that are owned by churches or not-for-profit corporations may be exempt under IC 6-1.1-10-27. There are currently 98 properties listed as historic sites and structures by the Division of Historic Preservation and Archeology of the Department of Natural Resources

The lowest assessment of land is for farm land at \$165 AV per acre. The average net tax rate was \$8.955 per \$100 of assessed valuation for CY 2000. The amount paid on cemetery land could decrease by at least \$14.70 per acre on average.

The impact on a local government's levy depends on the property tax controls of the fund. There are two basic types of property tax controls, levy controls and rate controls. If the fund is subject to levy controls then the fund is allowed to raise a fixed dollar amount from property taxes. A drop in the assessed valuation of the fund causes the amount paid by the other taxpayers in the unit to increase to offset the reduction. The fund experiences no loss of revenue, but the taxpayers' bill would increase. Under rate controls, the property tax rate is fixed and a drop in assessed valuation results in less revenue being raised by the levy. The taxpayers' bill would remain about the same. In the case of the school General Fund the loss in revenue is made up the state in the form of increase tuition support dollars.

**State Agencies Affected:** State Board of Tax Commissioners

**Local Agencies Affected:** County Assessors, County Auditors, Township Assessors, Local Units

**Information Sources:** Local Government Database